

**ABSTRACT OF THE DISCLOSURE**

Described are a novel cell type in the neural lineage, and method  
of producing the same based on the degree of neural commitment and  
5 growth factor responsiveness in vitro and the potential to give rise to  
neural and non-neural progeny in vivo. The novel cell type of neural  
lineage and cells derived therefrom have a number of applications  
including applications regarding tissue engineering, transplantation  
and gene therapy and drug discovery. Also described are suggested  
10 uses of the method and cell type including isolating genes that  
positively and negatively regulate the transition from an ES cell to a  
neural cell and generally for studying ES cell models of mammalian  
neural development.